

Memorandum



Date: December 10, 2007

RCA
Agenda Item No. 7D

To: Honorable Chairman Bruno A. Barreiro and Members,
Board of County Commissioners

From: George M. Burgess
County Manager

A handwritten signature in black ink, appearing to read "G. Burgess", written over the printed name of the County Manager.

Subject: Carnival Center Monthly Status Report - November 2007

Attached please find the monthly status report and financials provided from the Carnival Center for the Performing Arts.

A handwritten signature in black ink, appearing to read "Ally", written above a horizontal line.

Assistant County Manager

Attachments

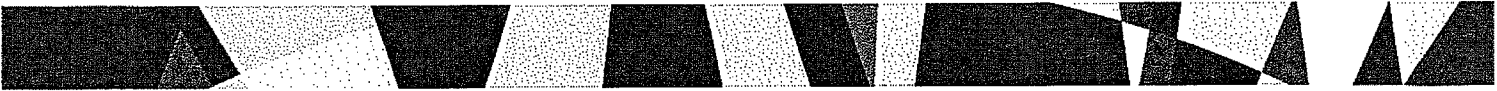

MEMORANDUM**DATE:** November 26, 2007**TO:** George Burgess
County Manager**FROM:** Lawrence J. Wilker
Interim President and CEO **SUBJECT:** Carnival Center for the Performing Arts Status Report

In the past 30 days, the Carnival Center for the Performing Arts (Center) has undergone a major change. The Center's new management team is charting a new direction that focuses primarily on strengthening programming and increasing private sector fundraising. We have spent the past three weeks assessing the Center's strengths and weaknesses and implementing several organizational changes. The areas of concentration have included:

- Innovative ways to increase staff proficiency to derive maximum benefit
- Improving the overall quality of the experience for patrons
- Analyzing ways to operate more efficiently
- Exploring new revenue sources for operational support

Ticket sales during October were on budget and 131% better than October 2006. Facility rental revenue, however, was slightly lower than projected. Strategies the Center is reviewing for increasing operating revenue include adding a significant number of performances for the spring and summer season, and offering presentations with broader audience appeal during the 2008-2009 season.

Occupancy costs for the month of October was just over \$630,000, which is below the monthly budget. The reduced costs are due to many shows being held in the Studio Theater which is a smaller venue, lower energy bills due to the restructuring of contracts, and other operational efficiencies. In addition, as recommended by the Board of County Commissioners in their May 30, 2007, report, we have transitioned from contracting maintenance and building management services from our current subcontractor, Johnson Controls, Inc. to in-house staff. This will allow the Center to achieve operational savings by avoiding unnecessary contractor markup and profit. The anticipated annualized savings to the County is \$400,000.



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The Trust, per Resolution 354-06, agreed to fund the construction acceleration and recovery efforts to meet the August 4, 2006, completion date in the amount of \$1.5 million per year for twenty years beginning in FY 2008. Over the last month, Center staff has worked closely with County representatives to develop a plan to repay this Sunshine State construction loan. It has been recommended that the Center will pay \$375,000 per quarter for the next 20 years with the first installment due on December 31, 2007.

Maintaining sufficient working capital continues to be a challenge. As a short-term solution, staff continues to manage the matter by mitigating risks and making prudent management and fiscal decisions. The attached spreadsheet details the latest financial projection. Because new programming initiatives for the spring and summer do not have final administrative approval, the data is not currently incorporated into the projection.

The Trust Board of Directors is committed to implementing turnaround strategies that will result in the Center's financial viability. A retreat for the Trust Board is scheduled for December 1, 2007. The purpose of the retreat is to set a course for the Center's future and determine the steps that will move the Center towards success. In our next report, I will provide outcomes of the meeting.

Marketing continues to explore ways of broadening the Center's contact into Miami-Dade's various communities. Within the next couple of weeks, the 2008 spring season brochure will be mailed. Spring performances include Mavis Staples and the Blind Boys of Alabama, Bernadette Peters and the Broadway hit *Monty Python's Spamalot*. We have also initiated a monthly series of free performances. October's event was very successful with over 800 individuals in attendance. The next free performance is scheduled for Saturday, December 8 in the Thomas Plaza of the Arts and once again includes a diverse music lineup.

Starting in December, the Center will offer free bi-weekly "Behind-the-Scenes Tours." Highlights of the tour will include a walk through of areas not normally open to the public during performances as well as information about the Center's history, architecture, Art in Public Places installations, and the many stars who have already graced its stages. Tours will be available to the public every Monday and Saturday at Noon.

Finally, as part of the Center's partnership with the United Way of Miami-Dade, during the month of December, audiences will be invited to share their holiday spirit by bringing an unwrapped toy when they attend a performance at the Center. All gifts collected will be distributed by the United Way.

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CARNIVAL CENTER
FOR THE PERFORMING ARTS

Monthly Revenues and Expenditures for Fiscal Year 2007-08
(in thousands)

FOR THE PERFORMING ARTS																
	Actual	Revised Projection				Budget								Projection	FY 2007-08 Budget Total	
	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Total	Total		
REVENUE																
Ticket Sales	\$331	\$400	\$750	\$650	\$333	\$993	\$238	\$733	\$142	\$0	\$0	\$0	\$4,571	\$4,858		
Rental Revenue	\$287	\$235	\$245	\$220	\$348	\$335	\$194	\$407	\$204	\$222	\$105	\$110	\$2,892	\$3,056		
Facility Chargebacks	\$102	\$163	\$219	\$124	\$197	\$189	\$102	\$234	\$108	\$122	\$50	\$50	\$1,660	\$1,678		
Box Office Fees	\$156	\$200	\$250	\$179	\$410	\$352	\$336	\$16	\$192	\$116	\$63	\$89	\$2,357	\$2,660		
Parking Revenue	\$44	\$120	\$131	\$79	\$213	\$172	\$169	\$18	\$95	\$58	\$31	\$44	\$1,164	\$1,320		
Concessions	\$10	\$45	\$59	\$40	\$40	\$45	\$45	\$40	\$45	\$35	\$30	\$30	\$464	\$500		
Merchandise Sales	\$3	\$9	\$5	\$3	\$8	\$7	\$6	\$0	\$4	\$2	\$1	\$2	\$50	\$50		
Foundation Subsidy	\$0	\$318	\$318	\$318	\$318	\$318	\$318	\$318	\$318	\$318	\$318	\$320	\$3,500	\$3,500		
Other Revenue	\$3	\$13	\$439	\$13	\$13	\$13	\$13	\$10	\$13	\$13	\$13	\$412	\$964	\$148		
Occupancy Costs (County funded)	\$632	\$759	\$787	\$857	\$776	\$834	\$727	\$724	\$589	\$813	\$602	\$622	\$8,722	\$8,852		
TOTAL REVENUE	\$1,548	\$2,262	\$3,203	\$2,492	\$2,656	\$3,258	\$2,148	\$2,490	\$1,709	\$1,698	\$1,212	\$1,679	\$26,344	\$26,622		
EXPENSES																
Non-Stagehands Salaries & Benefits	\$436	\$440	\$458	\$458	\$458	\$458	\$458	\$458	\$458	\$458	\$458	\$458	\$5,456	\$5,497		
Stagehands Salaries & Benefits	\$158	\$150	\$185	\$107	\$137	\$169	\$89	\$139	\$64	\$29	\$12	\$12	\$1,251	\$1,195		
Marketing & Communication	\$162	\$172	\$159	\$175	\$115	\$197	\$96	\$140	\$61	\$55	\$47	\$46	\$1,426	\$1,341		
Event Expenses	\$406	\$500	\$676	\$505	\$336	\$888	\$300	\$626	\$216	\$64	\$41	\$8	\$4,566	\$4,534		
Professional Services	\$24	\$32	\$34	\$49	\$55	\$52	\$51	\$44	\$43	\$47	\$43	\$43	\$518	\$609		
Fulfillment Costs & Comp Tickets	\$11	\$8	\$8	\$11	\$16	\$8	\$8	\$8	\$13	\$8	\$8	\$8	\$114	\$110		
Show/Event Parking Services	\$38	\$110	\$118	\$62	\$201	\$164	\$143	\$7	\$86	\$52	\$28	\$40	\$1,048	\$1,188		
Administration & Overhead	\$106	\$82	\$85	\$91	\$87	\$87	\$112	\$76	\$89	\$92	\$80	\$78	\$1,065	\$1,055		
Debt Service Commitment	\$0	\$0	\$375	\$0	\$0	\$375	\$0	\$0	\$375	\$0	\$0	\$375	\$1,500	\$1,500		
Depreciation Expense	\$8	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$76	\$50		
Capital Items	\$0	\$23	\$49	\$49	\$102	\$49	\$49	\$49	\$49	\$84	\$49	\$49	\$602	\$691		
Occupancy Costs (County funded)	\$632	\$759	\$787	\$857	\$776	\$834	\$727	\$724	\$589	\$813	\$602	\$622	\$8,722	\$8,852		
TOTAL EXPENSES	\$1,981	\$2,283	\$2,941	\$2,370	\$2,289	\$3,286	\$2,038	\$2,277	\$2,050	\$1,708	\$1,374	\$1,747	\$26,344	\$26,622		
Operating Surplus (Deficit)	(\$433)	(\$21)	\$262	\$112	\$367	(\$29)	\$110	\$214	(\$341)	(\$10)	(\$162)	(\$68)	\$0	\$0		